



**STATE OF DELAWARE
DEPARTMENT OF FINANCE
OFFICE OF THE SECRETARY**

**RICHARD S. CORDREY
SECRETARY OF FINANCE**

October 16, 2006

The Honorable Ruth Ann Minner
Carvel State Office Building
820 N. French Street
Wilmington, DE 19801

Dear Governor Minner:

I am pleased to provide to you the report required by 29 Del. C. § 2720, which established the Delaware Council on Volunteer Fire Service and the Volunteer Fire Service Revolving Loan Fund. The report presents the guidelines under which the council awarded its first loans from the fund and lists the details of the six volunteer companies that received a loan under the program. Finally, the report sets forth recommendations for continuing the program.

One of the state's foremost responsibilities is to support the emergency response services that our Delaware communities rely on. Providing these low-interest loans gives all of us a greater assurance that our fire and ambulance companies will be better able to support Delaware's needs. Six volunteer companies - Five Points, Bowers, Townsend, Odessa, Harrington and Rehoboth Beach - will receive loans ranging from \$40,000 to \$275,000 to purchase needed equipment, such as ambulances and rescue trucks.

The first loan awards are just a beginning. As these loans are repaid, funds will be recycled to continue supporting the equipment needs of yet more volunteer companies.

It was a pleasure to chair this Council and I look forward to continuing to work for such a worthy cause.

Sincerely,

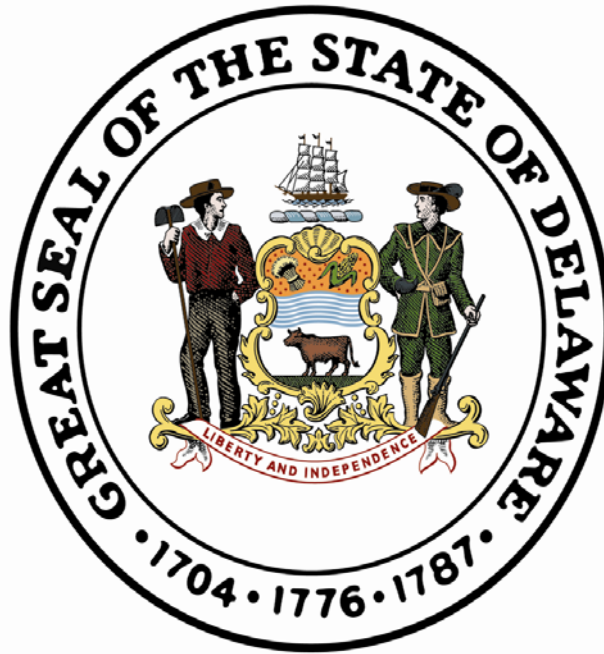
A handwritten signature in blue ink, appearing to read "Richard S. Cordrey".

Richard S. Cordrey
Secretary of Finance

Attachment

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820 N. FRENCH ST., 8TH FLR.
WILMINGTON, DELAWARE 19801
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FAX: (302) 577 - 8982**

**HASLET ARMORY
122 WILLIAM PENN STREET
DOVER, DELAWARE 19901
TELEPHONE: (302) 744 - 1100
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Report to the Governor,
Co-Chairs of the Joint Legislative Committee on Capital Improvement
Programs,
Members of the 143rd General Assembly,
Director of the Office of Management and Budget and
Controller General

from the

Delaware Council on Volunteer Fire Service

pursuant to

29 Del. C. § 2720

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I. Executive Summary

On August 22, 2002, Governor Ruth Ann Minner signed House Bill No. 190 of the 141st General Assembly, as amended, creating the Delaware Council on Volunteer Fire Service (the “Council”). The Council was established to advise on all matters relating to the administration, implementation and financing of the Volunteer Fire Service Revolving Loan Fund Program.

Formed in early 2006, the following persons were named to the Council:

- Mr. Ken Pyle, President of the Delaware Volunteer Firemen’s Association;
- Mr. Kenneth H. McMahon, Chairman of the State Fire Prevention Commission;
- Mr. Ray Stevens, member appointed by the President of the Sussex County Firemen’s Association;
- Mr. Michael D. Layton, member appointed by the President of the Kent County Firemen’s Association;
- Mr. Rick Clark, Sr., member appointed by the New Castle County Firemen’s Association;

Initial appointments of each member were to be for staggered terms. The Sussex County member’s initial term was to be for three years, the Kent County member’s initial term was to be for two years and the New Castle County member’s initial term was to be for one year. Upon expiration of the initial terms, subsequent appointments are to be for a three-year period.

- State Treasurer Jack Markell, and
- Secretary of Finance Richard S. Cordrey, serving as Committee Chair.

House Bill No. 315 of the 143rd General Assembly, commonly referred to as the grants-in-aid bill for fiscal year ending June 30, 2006, appropriated \$1,000,000 to the Department of Finance for the Delaware Volunteer Fire Service Revolving Loan Fund as described in House Bill 190 of the 141st General Assembly.

An initial meeting of the Council was held on April 12, 2006 in which program goals were discussed and the programs of other states were identified and reviewed. At the May 11th meeting, a draft application, program guide and lending limits were reviewed and revised. Pursuant to 29 Del. C. § 2720 on May 31, 2006, Senator Robert L. Venables and Representative Roger P. Roy, as co-chairs of the Joint Legislative Committee on Capital Improvement

Programs, acknowledged receipt of the guidelines and procedures developed by the Council for administration of the Fund and approved the commencement of loans from the Fund.

On June 9th, the application and program guidelines were mailed to each of Delaware's eligible fire and ambulance companies setting July 31, 2006 as the application deadline. Applications were taken at the offices of the Delaware Volunteer Firemen's Association in Dover, Delaware.

On August 25th, the Council met and approved loans, based on the pre-established lending limits, to each of the six applicants and the awards were made at a recognition ceremony held during the Delaware Volunteer Firemen's Association's Annual Conference.

II. House Bill No. 190, as amended, of the 141st General Assembly

SPONSOR: Rep. Price &

Rep. B. Ennis & Rep. Lee & Rep. Viola &
Sen. Cook; Reps. Buckworth, Carey,
Quillen, Thornburg, Valihura, Van Sant,
West, Williams, Sens. Adams, Amick,
Blevins, Bonini, Bunting, Cloutier, Connor,
DeLuca, Henry, Marshall, McBride,
McDowell, Simpson, Sokola, Sorenson, Still,
Vaughn, Venables, Winslow

HOUSE OF REPRESENTATIVES

141st GENERAL ASSEMBLY

HOUSE BILL NO. 190

AS AMENDED BY

HOUSE AMENDMENT NOS. 1 & 3

AND

SENATE AMENDMENT NO. 1

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO THE VOLUNTEER FIRE
SERVICE REVOLVING LOAN FUND PROGRAM.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend Chapter 27, Title 29 of the Delaware Code, by adding a new §2719 to read as follows:

"§2719. Delaware Council on Volunteer Fire Service.

- a. There is hereby created a Delaware Council on Volunteer Fire Service, hereinafter referred to as the Council, to advise the Secretary of Finance on all matters relating to the administration, implementation and financing of the Volunteer Fire Service Revolving Loan Fund Program. The Council shall review and recommend to the Secretary of Finance for adoption, after a public hearing, criteria for administering and awarding loans from the Volunteer Fire Service Revolving Loan Fund, including but not limited to criteria for assessing recipient need.
- b. The Council shall consist of:
 1. The President of the Delaware Volunteer Firemen's Association or designee;
 2. The Chairman of the State Fire Prevention Commission or designee;
 3. Three members; one each appointed by the Presidents of the New Castle, Kent, and Sussex County Firemen's Associations no later than September 1 for the initial appointment and January 15 of each calendar year thereafter.
 - (a) Initial appointments shall be for staggered terms. The member from Sussex County's initial term shall be for three years, the member from Kent County's initial term shall be for two years, and the member from New Castle County's initial term shall be for one year.

(b) Upon expiration of the preceding terms, subsequent appointments shall be for a three-year term.

(c) At the end of a member's term, such member shall continue to serve until the member's successor is duly appointed;

(4) The State Treasurer or designee;

(5) The Secretary of Finance or designee

(c) The Secretary of Finance shall serve as the chair of the Council.

- d. Members of the Council shall receive no compensation. The Council shall hold at least one regular meeting each calendar year and shall keep a record of its proceedings. All proceedings of the Council shall be conducted in accordance with Chapter 100 of Title 29.
- e. For purposes of conducting business of the Council, four voting members shall constitute a quorum. A majority vote of Council members shall be required on any action or matter before the Council.
- f. The Council shall adopt procedural rules and regulations to carry out the provisions of this chapter."

Section 2. Amend Title 29 of the Delaware Code, by adding to a new §2720 to read as follows:

"§2720. Delaware Volunteer Fire Service Revolving Loan Fund.

- 1. A special fund appropriation account is hereby created in the Department of Finance, to be known as the Delaware Volunteer Fire Service Revolving Loan Fund, hereinafter referred to as the Fund. Sums appropriated by the General Assembly to the Fund shall be used to create a loan program to be administered according to guidelines and procedures developed by the Delaware Council on Volunteer Fire Service to upgrade equipment and improve facilities that are essential to providing adequate fire, rescue, emergency medical and technical emergency response related service to Delaware communities. Loan funds shall not be made available for equipment that has already been ordered or the expansion of facilities or parking that has already begun, except where such expansion is deemed necessary to provide adequate fire, rescue, and emergency medical and technical emergency response services to the surrounding community by the Delaware Council on Volunteer Fire Service. The Fund shall serve as a revolving loan account and shall be eligible to receive loan repayments. The Fund shall be deemed a special fund and shall be approved by the Governor for the following purposes:
 - a. To accept and retain the funds and revenues appropriated by the General Assembly;
 - b. To make loans to eligible volunteer fire, rescue, and emergency medical service companies meeting the criteria established herein;
 - c. To buy or refinance debt obligations of eligible volunteer fire, rescue, and emergency medical service companies;
 - d. To facilitate the pledging by an eligible fire, rescue and emergency medical service company of its State grant-in-aid and health insurance rebate funds as collateral for securing a loan from the Fund;
 - e. To earn interest on amounts on deposit in such Fund;
 - f. To establish all necessary interest bearing accounts for deposit of loan repayments; and
 - g. To finance the reasonable costs incurred by the State in the administration of the Fund.
- 2. The Council shall develop a competitive process to approve loan applications for improving fire, rescue, emergency medical, and technical emergency response services throughout the State and in connection therewith, shall develop criteria to assess the relative needs for fire service and loan assistance throughout the State. Such criteria shall include and shall give highest priority, but shall not be limited to, consideration of the financial need of the fire,

rescue, emergency medical service companies, and the surrounding community. In addition, the Council shall consider:

- a. The financial assets of the volunteer fire, rescue, and emergency medical service company making the application as well as its ability to obtain revenue, income, and financial support and loans from outside sources;
 - b. The age and existing conditions of the volunteer fire, rescue, and emergency medical service company's apparatus, equipment, or facilities, including, but not limited to, whether such apparatus, equipment, and facility are in compliance with National Fire Protection Association standards; and
 - c. The demographic, geographic, and financial conditions of the community served by the volunteer fire, rescue, and emergency medical service company making the application.
1. The Council shall be required to submit a strategic plan for accomplishing the goals to be met by the Fund and a procedure for the application process by January 31, 2003. Such plan shall contain the guidelines and procedures for the administration of the program and shall be presented to the co-chairs of the Joint Legislative Committee on Capital Improvement Programs. No funds shall be loaned from the Delaware Volunteer Fire Service Revolving Loan Fund until the co-chairs of the Joint Legislative Committee on Capital Improvement Programs have reviewed and approved the plan.
2. Upon the request of the Council, subsequent to approval of an application in accordance with this subsection, the State Treasurer is authorized to release funds appropriated to the Volunteer Fire Service Revolving Loan Fund sufficient to make such loans.
3. The Council shall submit an annual report to the Governor and co-chairs of the Joint Legislative Committee on Capital Improvement programs by October 15 of each succeeding year.

III. List of Applicants and Loan Awards

Applicant	Asset to be Acquired	Estimated Cost of Asset	Loan Amount Requested	Lending Limits	Loan Amount Based on Lending Limit	Loan Term (in years)	Estimated Repayment Amount (a) annual (s) semi-annual
Five Points Fire Co.	Ladder and trailer replacement for Ladder 17	\$430,372	\$430,372	\$600,000 or 50%	\$145,000	10	\$16,998.42(a)
Bowers Fire Co.	Ambulance to replace '98 Ford	\$160,000	\$40,000	\$90,000 or 75%	\$40,000	5	\$4,337.37(s)
Townsend Fire Co.	Rescue truck to replace '91 Mack truck	\$500,000		\$450,000 or 50%	\$225,000	10	\$26,376.86(a)
Odessa Fire Co.	Rescue truck to replace '86 Freightliner	\$650,000	\$450,000	\$450,000 or 50%	\$225,000	10	\$26,376.86(a)
Harrington Fire Co.	Ambulance to replace '01 Ford Mobile Medical	\$180,000	\$90,000	\$90,000 or 75%	\$90,000	5	\$9,759.08(s)
Rehoboth Beach Volunteer Fire Co.	New Quint aerial truck	\$550,000	\$550,000	\$600,000 or 50%	\$275,000	10	\$32,238.39(a)

IV. Letter to the co-Chairs of the Joint Legislative Committee on Capital Improvement Programs



**STATE OF DELAWARE
DEPARTMENT OF FINANCE
OFFICE OF THE SECRETARY**

**RICHARD S. CORDREY
SECRETARY OF FINANCE**

May 31, 2006

The Honorable Robert L. Venables and
The Honorable Roger P. Roy, co-Chairs of the
Joint Legislative Committee on Capital Improvement Programs
Legislative Hall
Dover, DE 19903

Dear Senator Venables and Representative Roy:

Pursuant to 29 Del. C. § 2720, the Delaware Council on Volunteer Fire Service (the "Council") shall present guidelines and procedures for the administration of the Volunteer Fire Service Revolving Loan Fund to the co-chairs of the Joint Legislative Committee on Capital Improvement Programs. Formed in February, the Council is composed of the following members: Ken Pyle, President of the Delaware Volunteer Firemen's Association; Kenneth H. McMahon, Chairman of the State Fire Prevention Commission; Ray Stevens, Sussex County Volunteer Firemen's Association; Michael D. Layton, Kent County Volunteer Firemen's Association; Rick Clark, Sr., New Castle County Volunteer Firemen's Association; Jack Markell, State Treasurer and, serving as chair of the Council, Richard S. Cordrey, Secretary of Finance.

The Council has developed a process that will approve loan applications based not only on an availability of funds, but also on criteria that assess the relative needs for fire service and loan assistance throughout the State. The criteria include financial need, age and condition of existing equipment and the demographic, geographic and financial conditions of the communities served. Loans will be granted at a fixed rate of 3% over 5- or 10-year terms depending on the equipment purchased.

**CARVEL STATE BUILDING
820 N. FRENCH ST., 8TH FLR.
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DOVER, DELAWARE 19901
TELEPHONE: (302) 744 - 1100
FAX: (302) 744 - 1045**

The Honorable Robert L. Venables and
The Honorable Roger P. Roy, co-Chairs of the
Joint Legislative Committee on Capital Improvement Programs
May 31, 2006
Page 2

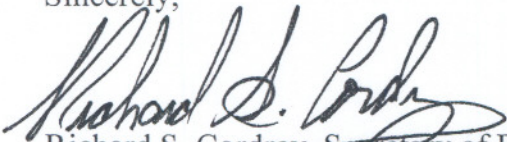
The attachments provide the details of the program.

- Program Calendar
- Program Goals and Objectives
- Program Guidelines
- Lending Limits
- Application Package, including Inventory List

The Council is prepared to begin taking applications immediately and plans to award loans at the annual conference of the Delaware Volunteer Fire Service scheduled for September 11th through the 16th. The Council is available to answer any questions you may have concerning the program.

On behalf of the Delaware Council on Volunteer Fire Service, I respectfully submit the Council's plan for the Delaware Volunteer Fire Service Revolving Loan Fund.

Sincerely,

A handwritten signature in dark ink, appearing to read "Richard S. Cordrey", is written over the printed name.

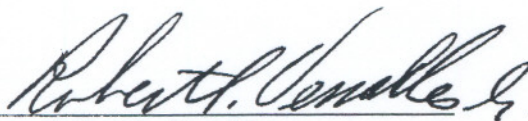
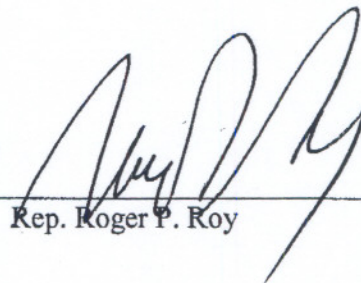
Richard S. Cordrey, Secretary of Finance
Chairman, Delaware Council on Volunteer Fire Service

V. Memo to the Members of the Delaware Council on Volunteer Fire Service

May 31, 2006

To The Members of the Delaware Council on Volunteer Fire Service:

Pursuant to 29 Del. C. § 2720, the Delaware Council on Volunteer Fire Service (the "Council") shall present guidelines and procedures for the administration of the Volunteer Fire Service Revolving Loan Fund (the "Fund") to the co-chairs of the Joint Legislative Committee on Capital Improvement Programs. We hereby acknowledge receipt of such guidelines and procedures developed by the Council for administration of the Fund. Based on our review and approval, loans from the Fund may commence.


Sen. Robert L. Venables
Rep. Roger P. Roy

VI. Recommendations

(1) **Amend the application due date**

In setting the schedule for the initial loan awards, the Council used the Delaware Volunteer Firemen's Association's Annual Conference, held in September, as its target date. The Council established July 31st as the application due date which allowed for the development of the program, the preparation of materials for distribution and a review with the co-Chairs of the Joint Legislative Committee on Capital Improvement Programs. However, the deadline allowed less than 60 days for the volunteer companies to process the application for response.

RECOMMENDATION

The Council therefore recommends that the application due date be pushed up to April 30th. In addition to allowing ample time for the volunteer companies to collect the documentation required for the application, an April 30th deadline also allows the Council to identify total funding requests prior to the adjournment of the Joint Legislative Committee on Capital Improvement Programs.

(2) **Increase promotional awareness**

While much depends on further funding, the Council recognizes that additional efforts should be made to increase awareness of the program across volunteer companies.

RECOMMENDATION

The Council, along with the Delaware Volunteer Firemen's Association, will work to further promote the program in the future.

(3) **Increase Program Funding**

The Volunteer Fire Service Revolving Loan Fund represents a self-sustaining program in that moneys loaned from the fund are repaid in full by the respective fire/ambulance companies with a three percent administrative fee. Due to the need for equipment and the relatively inexpensive method of finance, the Council awarded the full \$1 million to six applicants whose needs varied from ambulances to ladder and rescue trucks. If no further funding is received, future loans are limited to the revolving loan repayment amounts which, of course, limit the amount of new equipment available at such reasonable terms. If program funding continues and is increased to \$3 million to \$5 million, the Council would have a greater opportunity to fund the growing needs of the 60 volunteer fire companies and three EMS companies in a self-sustaining manner.

RECOMMENDATION

The Council therefore recommends that the Delaware General Assembly consider a long term funding commitment to the Delaware Volunteer Fire Service Revolving Loan Fund to continue and increase the funding available for the equipment needs of Delaware's volunteer fire and EMS companies.

(4) Amend governing statute

The specialized nature of fire and ambulance equipment requires extraordinarily long lead times for ordering new equipment. 29 Del. C. §2720 states that "loan funds shall not be made available for equipment that has already been ordered or the expansion of facilities or parking that has already begun, except where such expansion is deemed necessary to provide adequate fire, rescue, and emergency medical and technical emergency response services to the surrounding community by the Delaware Council on Volunteer Fire Service." The Council fears that this language may preclude certain volunteer fire companies and EMS companies from applying for funds from the Delaware Volunteer Fire Service Revolving Loan Fund.

RECOMMENDATION

Council therefore recommends that 29 Del. C. §2720 be amended to: "loan funds shall not be made available for equipment that has already been delivered or the expansion of facilities or parking that has been completed. For consideration, such expansions must be deemed necessary to provide adequate fire, rescue and emergency medical and technical emergency response services to the surrounding community by the Delaware Council on Volunteer Fire Service."

Exhibit 1 Program Guidelines and Application

The following pages include the application, program guidelines, calendar and lending limits developed by the Council and acknowledged by the co-Chairs of the Joint Legislative Committee on Capital Improvement Programs.

Delaware Volunteer Fire Service Revolving Loan Fund Application

The Delaware Volunteer Fire Service Revolving Loan Fund was established to upgrade equipment and improve facilities that are essential to providing adequate fire, rescue, emergency medical and technical emergency response related service to Delaware communities. Loan funds are limited and shall not be made available for equipment that has already been ordered or the expansion of facilities or parking that has already begun, with certain exceptions.

The Council will approve loan applications based on criteria that assess the relative needs for fire service and loan assistance throughout the State. The criteria include financial need, age and condition of existing equipment and the demographic, geographic and financial conditions of the communities served. Please provide all requested information.

A. General Information

1. Applicant's Legal Name and Mailing Address

2. County: _____

3. Applicant's Federal Tax I.D. #: _____

4. Name/Position of Contact Person: _____

5. Mailing Address, if different: _____

6. e-mail Address: _____

7. Phone Numbers: (identify home/work/pager/cell) _____

The following information will be considered for prioritizing loan applications.

B. Organizational Profile

8. Name of applicant's primary protection district: _____

9. Population of applicant's primary protection district: _____

10. Square Miles of applicant's primary protection district: _____

C. Financial Information

11. ___ Compilation Reports, for two years preceding the year of application

12. ___ Proposed Operating and Capital Budgets, for two years preceding the year of application

13. ___ IRS Form 990, for two years preceding the year of application

14. ___ Inventory of applicant's assets

15. ___ Company's Resolution to Procure and Borrow for Requested Asset

16. ___ List of Company Officers

17. Please describe any income, revenue or other financial support from any source not reflected in the financial statements, for example, in-kind services, energy or city services provided by an outside source. _____

D. Describe Asset to Be Acquired

VEHICLES AND APPARATUS

Part 1 Describe asset to be acquired

☐ New ☐ Used ☐ Rehabilitated Vehicle
☐ Addition ☐ Replacement
☐ Rescue Truck ☐ Heavy Rescue ☐ Aerial ☐ Pumpers ☐ Ambulance
☐ Light Duty Rescue ☐ Watercraft Rescue ☐ Other Used Apparatus
Year _____ Make _____ Model _____
Tank cap./gal _____ Pumping cap./gal _____ Ladder/ft. _____

If used:

Odometer _____ Vehicle ID# _____

Part 2 Describe asset to be replaced, if applicable

☐ Rescue Truck ☐ Heavy Rescue ☐ Aerial ☐ Pumpers ☐ Ambulance
☐ Light Duty Rescue ☐ Watercraft Rescue ☐ Other Used Apparatus
Year _____ Make _____ Model _____
Odometer _____ Vehicle ID# _____
Tank cap./gal _____ Pumping cap./gal _____ Ladder/ft. _____

Part 3 Describe vehicle to be rehabilitated/repared as well as rehabilitation efforts, if applicable

☐ Rescue Truck ☐ Heavy Rescue ☐ Aerial ☐ Pumpers ☐ Ambulance
☐ Light Duty Rescue ☐ Watercraft Rescue ☐ Other Used Apparatus
Year _____ Make _____ Model _____
Odometer _____ Vehicle ID# _____
Does vehicle meet applicable NFPA Standards? _____

EQUIPMENT☐ New☐ Used☐ Accessory Equipment☐ Communications Equipment☐ Protective Equipment

List the type of accessory, communications or protective equipment being acquired:

FACILITY☐ New Construction☐ Modernization☐ Renovation/Repair

Describe the organization's existing facilities and explain why they are inadequate. Describe the construction, renovations, repairs or modernization that is planned. If the facility address is, or will be different from the address listed in Section A of this application, please indicate the new address. Attach plans and detailed estimates of construction costs.

18. Estimate of Contract or Bid Cost: _____

19. Purpose of Loan Request:

☐ Buy new apparatus/equipment/facility☐ Refinance existing apparatus/equipment/facility

20. Amount of Loan Requested: _____

21. Term of Loan Requested: _____

22. Repayment Option: Semi-Annually Annually

23. Other Funding sources and types (Loan/Allocation/Donation or Grant)

Source	Amount	Type
Self-funding	_____	_____
Bank or other lending institution	_____	_____
Municipality	_____	_____
Relief Association, Organization or	_____	_____
Individual	_____	_____
Other _____	_____	_____

24. How will the proposed expenditure be funded if the loan application is denied?

25. Please describe both your need for the apparatus, equipment or facility proposed as well as your need for a DVFS revolving loan. Attach a separate page, if necessary.

E. Signature/Certification

We, the undersigned and duly authorized officers of _____
do hereby certify that the information presented in this application, including all attachments, is true and accurate and that we are authorized by Resolution to apply for a loan and to borrow from the Delaware Volunteer Fire Service Revolving Loan Fund. Said Resolution is submitted as an attachment to this application.

_____ Name:	_____ Date
Signature of Volunteer Company President	

_____ Name:	_____ Date
Signature of Volunteer Company Secretary	

(Affix Corporate Seal)

<p style="text-align: center;">Delaware Volunteer Fire Service Revolving Loan Fund Inventory List</p>

Please describe applicant's fleet, including vehicles, apparatus and equipment.

[illegible]

Delaware Volunteer Fire Service Revolving Loan Fund Calendar

April 2006	May 2006	June 2006	July 2006
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
August 2006	September 2006	October 2006	November 2006
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June 9, 2006

Application and Guidelines available

<http://www.dvfassn.com/>

<http://www.state.de.us/finance/default.shtml>

<http://www.state.de.us/treasure/default.shtml>

July 31, 2006

Application Deadline

September 1, 2006

Review and approval period ends

September 11 -16, 2006

Annual Conference

October 15

Annual Report to the Governor and co-Chairs of the Bond Bill Committee

Delaware Volunteer Fire Service Revolving Loan Fund

Program Guidelines

The Delaware Volunteer Fire Service Revolving Loan Fund was established to upgrade equipment and improve facilities that are essential to providing adequate fire, rescue, emergency medical and technical emergency response related service to Delaware communities. Loan funds are limited and are not available for equipment that has already been ordered or for the expansion of facilities including parking that has already begun except where such expansion is deemed necessary by the Delaware Council on Volunteer Fire Service.

The Delaware Council on Volunteer Fire Service (the “Council”) is comprised of the President of the Delaware Volunteer Firemen’s Association, the Chairman of the State Fire Prevention Commission, three members, one each appointed by the Presidents of the New Castle, Kent and Sussex County Firemen’s Associations, the State Treasurer and the Secretary of Finance.

The Council will approve loan applications based on the availability of funds and criteria that assess the relative needs for fire service and loan assistance throughout the State. The criteria include financial need, age and condition of existing equipment and the demographic, geographic and financial conditions of the communities served. The loan fund should not be considered an organization’s sole source of funding.

1. Who May Apply?

- 1.1. All volunteer fire, rescue and emergency medical service companies located in the State of Delaware.

2. Guidelines for Apparatus and Equipment Loans

- 2.1 The purchase of new and used apparatus will be considered, provided new and used apparatus pass all Federal, State, and/or county certifications. For all apparatus and equipment requests, applicant should include product specifications.
- 2.2 Loan funds are available to upgrade equipment and improve facilities that are essential to providing adequate fire, rescue, emergency medical and technical emergency response related service to Delaware communities and shall not be made available for equipment that has already been ordered.

2.3 Interest on all loans will be at the fixed rate of 3%. Repayment schedules will have semi-annual or annual payments. Annual payments will be due June 1st; semi-annual payments will be due June 1st and December 1st.

2.4 Suggested maximum loan amounts and terms:

	Maximum Loan	Maximum Term
Apparatus (New) Rescue, Pumpers	\$262,500 or 50% (whichever is less)	10 years
Heavy Rescue	\$450,000 or 50% (whichever is less)	10 years
Aerial Tower trucks or Quints	\$600,000 or 50% (whichever is less)	10 years
Light Duty Rescue Brush Trucks	\$90,000 or 50% (whichever is less)	5 years
Apparatus (Used)	\$60,000 or 50% (whichever is less)	5 years
Ambulances	\$90,000 or 75% (whichever is less)	5 years
Water Craft Rescue	\$45,000 or 50% (whichever is less)	5 years
Rehabilitation	\$35,000 or 50% (whichever is less)	5 years
Equipment	\$50,000 (once per 5-year period)	5 years

3. Guidelines for Facility Loans

- 3.1 Applications will be considered for establishing or renovating facilities that house fire fighting and rescue equipment, and emergency medical and technical emergency response services.
- 3.2 Proceeds of the loan shall be used only for construction and shall not be used for land acquisition, payment of fees for design, planning and preparation of application or any other cost not directly attributable to construction.
- 3.3 The applicant shall present an estimated construction cost for the project from a reliable engineering or architectural firm. A new or renovated facility must meet all requirements and codes of the Federal, State and local jurisdiction, included local firemen's association standards.

3.4 Interest on all loans will be at the fixed rate of 3%. Repayment schedules will have semi-annual or annual payments. Annual payments will be due June 1st; semi-annual payments will be due June 1st and December 1st.

3.5 Suggested maximum loan amount and terms

Facility	\$200,000 or 50% (whichever is less)	10 years
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4. Guidelines for Loan application process

- 4.1 All applications must be prepared in accordance with Delaware Council on Volunteer Fire Service guidelines. Failure to comply with Council guidelines may be cause for rejection of the application. The Council may reserve the right to correct minor errors or irregularities in the application.
- 4.2 An original application must be provided to the Council. Financial statements and proposed operating and capital budgets must be completed and provided, along with the completed application, for the two fiscal years immediately prior to the fiscal year in which the application is made.
- 4.3 Each applicant must submit IRS Form 990 for each year presented on the financial statements.
- 4.4 Applicant must submit to Council, an inventory of each applicant's equipment and fleet of vehicles.
- 4.5 Applicant must supply one original and 6 copies of the application package to the office of the **Delaware Volunteer Fireman's Association, 122A South Bradford Street, P. O. Box 1849, Dover, Delaware 19903-1849**. An application package consists of the original application and inventory list, financial statements and budgets, IRS Form 990, Company's Resolution and List of Officers and estimate and plans, if any.
- 4.6 In addition to financial statements submitted with the application, applicants must agree to supply annual financial statements as may be required.
- 4.7 A representative from the company will be required to be available and prepared to answer questions about the apparatus or facility to be financed as well as financial operations related to the applicant's company.
- 4.8 Applications are valid until December 31st of the year the application was submitted unless otherwise determined by the Council.
- 4.9 Within 12 months of the time the loan was granted, the volunteer company must submit documentation to the Council reflecting the actual expenditures of the loan proceeds.

5. Prioritization of Loan requests

- 5.1 It is the intent of the Council to manage the fund in a prudent and fiscally responsible manner and to extend loans to companies that can demonstrate the ability to repay the loan in accordance with its terms. Within that context, the priority for receiving loans will be established based on the criteria set forth below and the availability of funds.
 - 5.1.1 New vehicles and apparatus will have the highest priority followed by new equipment, renovations or rehabilitations of apparatus or equipment and facility improvements.
 - 5.1.2 Further, priority consideration will be given to those companies demonstrating the greatest need considering financial need, age and condition of existing equipment and apparatus and demographic, geographic and financial conditions of the communities served.
 - 5.1.3 The Council would also consider refinancing to prevent an event of default.

6. Loan Review and Approval Process

- 6.1 Applications must be submitted by the close of business on July 31, 2006 for funding consideration in the current year.
- 6.2 The Council shall review each loan request received from an applicant in accordance with the stated criteria.
- 6.3 Applicants will be notified of loan approvals by the Council. In addition, companies will be notified of any further requirements for loan closing.

7. Event of Default on Loans

- 7.1 The Council will follow prudent underwriting standards when considering a loan. In lieu of property and equipment liens, the Council may withhold future state funding including payments from insurance premium taxes and grant-in-aid funding.
- 7.2 Should a company be unable to make its loan payments in a timely manner, the company officers are required to notify the Council as soon as possible.

Delaware Volunteer Fire Service Revolving Loan Fund
Lending Limits and Repayment Terms

Minimum Loan: \$5,000
Interest Rate: 3% per annum

	Maximum Loan	Maximum Term	Payment
Apparatus (New) Rescue, Pumpers	\$262,500 or 50% (whichever is less)	10 years	\$15,289.51/semi \$30,773.01/annually
Heavy Rescue	\$450,000 or 50% (whichever is less)	10 years	\$26,210.58/semi \$52,753.73/annually
Aerial Tower trucks or Quints	\$600,000 or 50% (whichever is less)	10 years	\$34,947.44/semi \$70,338.30/annually
Light Duty Rescue Brush Trucks	\$90,000 or 50% (whichever is less)	5 years	\$9,759.08/semi \$19,651.91/annually
Apparatus (Used)	\$60,000 or 50% (whichever is less)	5 years	\$6,506.05/semi \$13,101.27/annually
Ambulances	\$90,000 or 75% (whichever is less)	5 years	\$9,759.08/semi \$19,651.91/annually
WaterCraft Rescue	\$45,000 or 50% (whichever is less)	5 years	\$4,879.54/semi \$9,825.96/annual
Rehabilitation	\$35,000 or 50% (whichever is less)	5 years	\$3,795.20/semi \$7,642.41/annually
Equipment	\$50,000 (once per 5-year period)	5 years	\$5,421.71/semi \$10,917.73/annually
Facility	\$200,000 or 50% (whichever is less)	10 years	\$11,649.15/semi \$23,446.10/annually

Exhibit 2 Goals and Objectives

DELAWARE VOLUNTEER FIRE SERVICE REVOLVING LOAN FUND PROGRAM

There is hereby established by the 141st General Assembly that pursuant to House Bill No. 190, as amended by House Amendment Nos. 1 and 3 and Senate Amendment No. 1, that there be established a Delaware Council on Volunteer Fire Service (the “Council”) and a Delaware Volunteer Fire Service Revolving Loan Fund (the “Fund”). The above legislation also establishes the criteria to administer the Fund and to report to the Joint Legislative Committee on Capital Improvement Programs. Pursuant to the above legislation, both the Council, through 29 Del. C. § 2720, and the Fund, through 29 Del. C. § 2721, became effective upon the Governor’s signature on August 22, 2002.

It should also be noted that for the four years following, the Fund went unfunded. In fiscal year 2006, the Delaware General Assembly committed ONE MILLION DOLLARS to initiate the Fund.

THE COUNCIL HAS ESTABLISHED THE FOLLOWING GOALS AND OBJECTIVES TO ADMINISTER THE FUND IN THE STATE OF DELAWARE.

PROGRAM GOALS

As defined in 29 Del. C. § 2720, the Council is comprised of the following:

1. The President of the Delaware Volunteer Firemen’s Association or designee;
2. The Chairman of the State Fire Prevention Commission or designee;
3. Three members; one each appointed by the Presidents of the New Castle, Kent and Sussex County Firemen’s Associations for staggered terms;
4. The State Treasurer or designee; and,
5. Serving as chair of the Council, the Secretary of Finance or designee.

The goal of the Council is to adopt any/all procedure rules and regulations to carry out the provisions of 29 Del. C. §§ 2720, 2721.

PROGRAM OBJECTIVES

The various objectives are defined as follows:

Application Process

1. To develop a competitive process by which loan applications for improving fire, rescue, emergency medical and technical emergency response services can be submitted statewide.

Evaluation Process

2. To develop criteria to assess the relative needs for fire service and loan assistance throughout the state by considering:
 - a. the financial assets of those making application as well as their ability to obtain revenue, income and financial support and loans from outside sources;
 - b. the age and existing condition of the applicant's apparatus, equipment or facilities and to determine whether such apparatus, equipment or facilities comply with the National Fire Protection Association standards.
 - c. the demographic, geographic and financial conditions of the community served by those making application.

Funding Process

3. To establish procedures and guidelines that would allow the Council:
 - a. to accept and retain the funds and revenues appropriated by the General Assembly;
 - b. to make loans to eligible volunteer fire, rescue and emergency medical service companies meeting the application criteria process;
 - c. to buy and/or refinance debt obligations of eligible applicants;
 - d. to facilitate the pledging of eligible applicant's state grant-in-aid and health insurance rebate funds as collateral for securing a loan;
 - e. to earn interest on amounts on deposit in the Fund;
 - f. to establish all necessary interest bearing accounts for deposit of loan repayments, and
 - g. to finance the reasonable costs incurred by the State in the administration of the Fund.

Reporting Process

4. The Council shall:
 - a. submit a strategic plan, (goals and procedures) to the Joint Legislative Committee on Capital Improvement Programs for accomplishing the Fund, and
 - b. submit an annual report to the Governor and the co-chairs of the Joint Legislative Committee on Capital Improvement Programs by October 15 of each year.

Exhibit 3 Award Letters



STATE OF DELAWARE
DEPARTMENT OF FINANCE
OFFICE OF THE SECRETARY

CARVEL STATE OFFICE BUILDING
WILMINGTON, DE 19801
TELEPHONE: (302) 577-8979
FAX: (302) 577-8982

HASLET ARMORY
DOVER, DE 19901
TELEPHONE: (302) 672-5182

September 5, 2006

Bowers Fire Company
Benjamin L. Jensen, Ambulance Captain
3442 Main Street, Apt. 3
Frederica, DE 19946

Dear Captain Jensen:

On behalf of the Council for the Delaware Volunteer Fire Service, it is my pleasure to inform you that the Bowers Fire Company has been approved for a loan from the Delaware Volunteer Fire Service Revolving Loan Fund to help finance the company's new Braun ambulance.

A loan for the requested amount of \$40,000 has been approved contingent upon the Council's receipt of the following documents, which supplement the application:

- Compilation reports or financial statements for the fiscal years ending in 2005 and 2004.
- IRS Form 990 for 2005.
- The company's Resolution to borrow funds for the ambulance.

In addition to the documents listed, an executed contract providing evidence of the purchase will be required prior to your receipt of the loan proceeds. The terms of the loan are as follows:

Amount of Loan:	\$40,000
Fixed Interest Rate:	3%
Term:	5 years
Payments Due:	semi-annually on June 1 st and December 1 st
Semi-annual payment amount:	\$4,337.37

Interest will commence with the issuance of a check for the loan proceeds; thus, the first payment will be determined at the time of the loan origination. Thereafter, semi-annual payments will be \$4,337.37.



Bowers Fire Company
Benjamin L. Jensen, Ambulance Captain
August 31, 2006
Page 2

The Delaware Volunteer Fire Service Revolving Loan Fund was established with a \$1 million appropriation from the General Assembly to upgrade equipment and improve facilities that are essential to providing adequate fire, rescue emergency, medical and technical emergency response related service to Delaware communities. Loans limits and rates were defined by the Council based on the various types of eligible equipment.

This loan, along with five others, represents the first loans awarded by the Council. A Certificate of Award will be presented to you or a representative from your company at the DVFA Luncheon at noon on Friday, September 15th in the Champagne Ballroom of the Sheraton Dover. Please confirm your attendance with the DVFA office.

If you should have any questions about the loan, the loan program, or should your needs change and you wish to withdraw your application, please do not hesitate to contact me, Tom Cook or Stephanie Scola of my office. Documents should be mailed, e-mailed or faxed to the address shown below:

State of Delaware, Dept. of Finance
Stephanie Scola, Director of Bond Finance
Carvel State Office Building, 8th floor
820 N. French Street
Wilmington, DE 19801
stephanie.scola@state.de.us
Phone: 302-577-8988
Fax: 302-661-7263

Sincerely,

A handwritten signature in black ink, appearing to read "Richard S. Cordrey".

Richard S. Cordrey, Secretary of Finance
Chairman, Delaware Council on Volunteer Fire Service

cc: Council for the Delaware Volunteer Fire Service



STATE OF DELAWARE
DEPARTMENT OF FINANCE
OFFICE OF THE SECRETARY

CARVEL STATE OFFICE BUILDING
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HASLET ARMORY
DOVER, DE 19901
TELEPHONE: (302) 672-5182

September 5, 2006

Francis E. Williams III, President
Five Points Fire Company, No. 1, Inc.
209 S. Maryland Avenue
Wilmington, DE 19804

Dear President Williams:

On behalf of the Council for the Delaware Volunteer Fire Service, it is my pleasure to inform you that the Five Points Fire Company, No. 1 has been approved for a loan from the Delaware Volunteer Fire Service Revolving Loan Fund to refinance the company's new American LaFrance ladder and trailer.

A loan of \$145,000 has been approved contingent upon the Council's receipt of the following documents, which supplement the application:

- Compilation report or financial statements for the fiscal year ending in 2005.
- A Resolution of the fire company to purchase the ladder and trailer as well as a resolution describing the financing arrangements made for the ladder and trailer.

In addition to the items listed above, the Council will require an executed contract giving evidence to the purchase. The terms of the loan are as follows:

Amount of Loan:	\$145,000
Interest Rate:	3%
Term:	10 years
Payments Due:	June 1 st , annually

Interest will commence with the issuance of a check for the loan proceeds; thus, the initial payment will be determined at the time of the loan origination. Thereafter, the annual payments will be about \$16,998.



Francis E. Williams III, President
Five Points Fire Company, No. 1, Inc.
September 5, 2006
Page 2

The Delaware Volunteer Fire Service Revolving Loan Fund was established with a \$1 million appropriation from the General Assembly to upgrade equipment and improve facilities that are essential to providing adequate fire, rescue emergency and medical and technical emergency response related service to Delaware communities. Loans limits and rates were defined by the Council based on the various types of eligible equipment.

This loan, along with five others, represents the first loans awarded by the Council. A Certificate of Award will be presented to you or a representative from your company at the DVFA Luncheon at noon on Friday, September 15th in the Champagne Ballroom of the Sheraton Dover. Please confirm your attendance with the DVFA office.

If you should have any questions about the loan, the loan program, or should your needs change and you wish to withdraw your application, please do not hesitate to contact me, Tom Cook or Stephanie Scola of my office. Documents should be mailed, e-mailed or faxed to the address shown below:

State of Delaware, Dept. of Finance
Stephanie Scola, Director of Bond Finance
Carvel State Office Building, 8th floor
820 N. French Street
Wilmington, DE 19801
stephanie.scola@state.de.us
Phone: 302-577-8988
Fax: 302-661-7263

Sincerely,

A handwritten signature in black ink, appearing to read "Richard S. Cordrey".

Richard S. Cordrey, Secretary of Finance
Chairman, Delaware Council on Volunteer Fire Service

cc: Council for the Delaware Volunteer Fire Service



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DEPARTMENT OF FINANCE
OFFICE OF THE SECRETARY

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DOVER, DE 19901
TELEPHONE: (302) 672-5182

September 5, 2006

Mr. Edward Welch, Secretary of the Board of Directors
Harrington Fire Company, Inc.
20 Clark Street
Harrington, DE 19952

Dear Mr. Welch:

On behalf of the Council for the Delaware Volunteer Fire Service, it is my pleasure to inform you that the Harrington Fire Company has been approved for a loan from the Delaware Volunteer Fire Service Revolving Loan Fund to help finance a new ambulance.

A loan for the requested amount of \$90,000 has been approved contingent upon the Council's receipt of an executed contract providing evidence of the purchase. The terms of the loan are as follows:

Amount of Loan:	\$90,000
Fixed Interest Rate:	3%
Term:	5 years
Payments Due:	semi-annually on June 1 st and December 1 st

Interest will commence with the issuance of a check for the loan proceeds; thus, the initial payment will be determined at the time of the loan origination. Thereafter, semi-annual payments will be about \$9,759.08.



Mr. Edward Welch, Secretary of the Board of Directors
Harrington Fire Company, Inc.
September 5, 2006
Page 2

The Delaware Volunteer Fire Service Revolving Loan Fund was established with a \$1 million appropriation from the General Assembly to upgrade equipment and improve facilities that are essential to providing adequate fire, rescue emergency, and medical and technical emergency response related service to Delaware communities. Loans limits and rates were defined by the Council based on the various types of eligible equipment.

This loan, along with five others, represents the first loans awarded by the Council. A Certificate of Award will be presented to you or a representative from your company at the DVFA Luncheon at noon on Friday, September 15th in the Champagne Ballroom of the Sheraton Dover. Please confirm your attendance with the DVFA office.

If you should have any questions about the loan, the loan program, or should your needs change and you wish to withdraw your application, please do not hesitate to contact me, Tom Cook or Stephanie Scola of my office. Documents should be mailed, e-mailed or faxed to the address shown below:

State of Delaware, Dept. of Finance
Stephanie Scola, Director of Bond Finance
Carvel State Office Building, 8th floor
820 N. French Street
Wilmington, DE 19801
stephanie.scola@state.de.us
Phone: 302-577-8988
Fax: 302-661-7263

Sincerely,

A handwritten signature in black ink, appearing to read "Richard S. Cordrey".

Richard S. Cordrey, Secretary of Finance
Chairman, Delaware Council on Volunteer Fire Service



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DEPARTMENT OF FINANCE
OFFICE OF THE SECRETARY

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HASLET ARMORY
DOVER, DE 19901
TELEPHONE: (302) 672-5182

September 5, 2006

Mr. Francis Gant, President
Odessa Fire Company, Inc.
304 Main Street
Post Office Box 81
Odessa, DE 19730-0081

Dear President Gant:

On behalf of the Council for the Delaware Volunteer Fire Service, it is my pleasure to inform you that the Odessa Fire Company has been approved for a loan from the Delaware Volunteer Fire Service Revolving Loan Fund to help finance a new rescue truck.

A loan of up to \$225,000, or 50% of the cost of the truck, has been approved contingent upon the Council's receipt of the following documents, which supplement the application:

- The company's Resolution to purchase the rescue truck and borrow the funds.

In addition to the Resolution, an executed contract that provides evidence of the purchase will be required prior to your receiving the loan proceeds. The terms of the loan are as follows:

Amount of Loan:	\$225,000
Fixed Interest Rate:	3%
Term:	10 years
Payments Due:	annually on June 1 st

Interest will commence with the issuance of a check for the loan proceeds; thus, the initial payment will be determined at the time of the loan origination. Thereafter, annual payments will be about \$26,376.



Mr. Francis Gant, President
Odessa Fire Company, Inc
September 5, 2006
Page 2

The Delaware Volunteer Fire Service Revolving Loan Fund was established with a \$1 million appropriation from the General Assembly to upgrade equipment and improve facilities that are essential to providing adequate fire, rescue emergency and medical and technical emergency response related service to Delaware communities. Loans limits and rates were defined by the Council based on the various types of eligible equipment.

This loan, along with five others, represents the first loans awarded by the Council. A Certificate of Award will be presented to you or a representative from your company at the DVFA Luncheon at noon on Friday, September 15th in the Champagne Ballroom of the Sheraton Dover. Please confirm your attendance with the DVFA office.

If you should have any questions about the loan, the loan program, or should your needs change and you wish to withdraw your application, please do not hesitate to contact me, Tom Cook or Stephanie Scola of my office. Documents should be mailed, e-mailed or faxed to the address shown below:

State of Delaware, Dept. of Finance
Stephanie Scola, Director of Bond Finance
Carvel State Office Building, 8th floor
820 N. French Street
Wilmington, DE 19801
stephanie.scola@state.de.us
Phone: 302-577-8988
Fax: 302-661-7263

Sincerely,

A handwritten signature in black ink, reading "Richard S. Cordrey".

Richard S. Cordrey, Secretary of Finance
Chairman, Delaware Council on Volunteer Fire Service

cc: Council for the Delaware Volunteer Fire Service



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DEPARTMENT OF FINANCE
OFFICE OF THE SECRETARY

CARVEL STATE OFFICE BUILDING
WILMINGTON, DE 19801
TELEPHONE: (302) 577-8979
FAX: (302) 577-8982

HASLET ARMORY
DOVER, DE 19901
TELEPHONE: (302) 672-5182

September 5, 2006

Mr. Theodore J. Doyle
Rehoboth Beach Volunteer Fire Co.
P. O. Box 327
Rehoboth Beach, DE 19971

Dear Mr. Doyle:

On behalf of the Council for the Delaware Volunteer Fire Service, it is my pleasure to inform you that the Rehoboth Beach Fire Company has been approved for a loan from the Delaware Volunteer Fire Service Revolving Loan Fund to help finance a new aerial truck.

A loan of up to \$275,000, or 50% of the cost of the truck, has been approved and will be available contingent upon the Council's receipt of an executed contract that provides evidence of the purchase. The terms of the loan are as follows:

Amount of Loan:	\$275,000
Fixed Interest Rate:	3%
Term:	10 years
Payments Due:	annually on June 1 st

Interest will commence with the issuance of a check for the loan proceeds; thus, the initial payment will be determined at the time of the loan origination. Thereafter, annual payments will be about \$32,238.



Mr. Theodore J. Doyle
Rehoboth Beach Volunteer Fire Co
September 5, 2006
Page 2

The Delaware Volunteer Fire Service Revolving Loan Fund was established with a \$1 million appropriation from the General Assembly to upgrade equipment and improve facilities that are essential to providing adequate fire, rescue emergency and medical and technical emergency response related service to Delaware communities. Loans limits and rates were defined by the Council based on the various types of eligible equipment.

This loan, along with five others, represents the first loans awarded by the Council. A Certificate of Award will be presented to you or a representative from your company at the DVFA Luncheon at noon on Friday, September 15th in the Champagne Ballroom of the Sheraton Dover. Please confirm your attendance with the DVFA office.

If you should have any questions about the loan, the loan program, or should your needs change and you wish to withdraw your application, please do not hesitate to contact me, Tom Cook or Stephanie Scola of my office. Documents should be mailed, e-mailed or faxed to the address shown below:

State of Delaware, Dept. of Finance
Stephanie Scola, Director of Bond Finance
Carvel State Office Building, 8th floor
820 N. French Street
Wilmington, DE 19801
stephanie.scola@state.de.us
Phone: 302-577-8988
Fax: 302-661-7263

Sincerely,

A handwritten signature in black ink, appearing to read "Richard S. Cordroy".

Richard S. Cordroy, Secretary of Finance
Chairman, Delaware Council on Volunteer Fire Service

cc: Council for the Delaware Volunteer Fire Service



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DEPARTMENT OF FINANCE
OFFICE OF THE SECRETARY

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FAX: (302) 577-8982

HASLET ARMORY
DOVER, DE 19901
TELEPHONE: (302) 672-5182

September 5, 2006

Mr. Keith B. Shoemaker, President
Townsend Fire Company, Inc.
107 Main Street
P. O. Box 194
Townsend, DE 19734

Dear President Shoemaker:

On behalf of the Council for the Delaware Volunteer Fire Service, it is my pleasure to inform you that the Townsend Fire Company has been approved for a loan from the Delaware Volunteer Fire Service Revolving Loan Fund to help finance a new rescue truck.

A loan of up to \$225,000, or 50% of the cost of the truck, has been approved and will be available contingent upon the Council's receipt of the following documents, which supplement the application:

- IRS Form 990 for 2005.
- The company's Resolution to purchase and borrow funds for the rescue truck.
- A List of Company officers.

In addition to the documents listed, an executed contract providing evidence of the purchase will be required prior to your receipt of the loan proceeds. The terms of the loan are as follows:

Amount of Loan:	\$225,000
Fixed Interest Rate:	3%
Term:	10 years
Payments Due:	annually on June 1 st

Interest will commence with the issuance of a check for the loan proceeds; thus, the initial payment will be determined at the time of the loan origination. Thereafter, annual payments will be about \$26,376.



Mr. Keith B. Shoemaker, President
Townsend Fire Company, Inc.
September 5, 2006
Page 2

The Delaware Volunteer Fire Service Revolving Loan Fund was established with a \$1 million appropriation from the General Assembly to upgrade equipment and improve facilities that are essential to providing adequate fire, rescue emergency and medical and technical emergency response related service to Delaware communities. Loans limits and rates were defined by the Council based on the various types of eligible equipment.

This loan, along with five others, represents the first loans awarded by the Council. A Certificate of Award will be presented to you or a representative from your company at the DVFA Luncheon at noon on Friday, September 15th in the Champagne Ballroom of the Sheraton Dover. Please confirm your attendance with the DVFA office.

If you should have any questions about the loan, the loan program, or should your needs change and you wish to withdraw your application, please do not hesitate to contact me, Tom Cook or Stephanie Scola of my office. Documents should be mailed, e-mailed or faxed to the address shown below:

State of Delaware, Dept. of Finance
Stephanie Scola, Director of Bond Finance
Carvel State Office Building, 8th floor
820 N. French Street
Wilmington, DE 19801
stephanie.scola@state.de.us
Phone: 302-577-8988
Fax: 302-661-7263

Sincerely,

Richard S. Cordrey, Secretary of Finance
Chairman, Delaware Council on Volunteer Fire Service

cc: Council for the Delaware Volunteer Fire Service